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Chairperson: Ms. Ochir ..... (Mongolia)

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The meeting was called to order at 3.10 p.m.

Election of the Rapporteur

1. **The Chairperson** said that the candidacy of Mr. Empole (Democratic Republic of the Congo) had been endorsed by the Group of African States for the office of Rapporteur of the Committee for its sixty-fifth session.

2. *Mr. Empole (Democratic Republic of the Congo) was elected Rapporteur by acclamation.*

Statement by the Chairperson

3. **The Chairperson** said that, following the High-level Plenary Meeting of the General Assembly on the Millennium Development Goals, the Committee's main task was to contribute to the fulfilment of the commitments reaffirmed on that occasion, particularly with a view to accelerating implementation of Goal 1 on poverty reduction. The Committee should also take an active part in the discussions between the General Assembly and the Group of Twenty (G-20) in order to ensure that the needs of the wider international community were taken into account at the G-20 summits.

4. The Committee should send a strong message concerning the need to reduce greenhouse emissions to the sixteenth session of the Conference of the Parties to the United Nations Framework Convention on Climate Change and the sixth session of the Conference of the Parties serving as the Meeting of the Parties to the Kyoto Protocol, to be held in Cancún, Mexico, at the end of 2010. Other forthcoming meetings of interest to the Committee were the tenth meeting of the Conference of the Parties to the Convention on Biological Diversity, the Fourth United Nations Conference on Least Developed Countries and the United Nations Conference on Sustainable Development. Through its work, including its side events, the Committee would have opportunities to contribute to those conferences and to influence the outcome of the United Nations development agenda.

Statement by the Under-Secretary-General for Economic and Social Affairs

5. **Mr. Sha** Zukang (Under-Secretary-General for Economic and Social Affairs) said that recovery from the recent global crisis was hampered by the unsound balance sheets of institutions and households, and by the current phasing out of national stimulus measures. Development needs were central to all fiscal policies and stimuli and special efforts must be made, in balancing budgets, to meet the social needs of the most vulnerable groups. The current economic uncertainty must not worsen the plight of the poorest people but should be a reason to speed up delivery on international commitments.

6. The first major facet of development was that it should be sustainable so as to offer long-term solutions to global crises by emphasizing the inter-linkages between social, economic and environmental challenges. The United Nations Conference on Sustainable Development in 2012 would be an occasion for taking stock and moving ahead in that area; it would be served by a dedicated secretariat in the Department of Economic and Social Affairs, headed by himself. An adequate institutional framework was another prerequisite for the success of sustainable development and would draw on inputs in the form of action plans from Member States. Accordingly, his Department stood ready to assist countries in capacity-building in the priority areas of social inclusiveness, sustainable development, public administration, official statistics and macroeconomic policy.

7. Another major aspect of the development challenge was global economic governance, which had become more necessary than ever before. Multilateralism, including measures taken by the G-20, had helped to redress the crisis, but more than one third of the world's people and 85 per cent of countries had no voice in that ad hoc informal grouping. While the United Nations and the G-20 had complementary roles to play in the ongoing economic recovery, the United Nations, by virtue of its inclusiveness, was called on to play a central role in global economic governance.

Keynote address by Professor Robert J. Shiller, Arthur M. Okun Professor of Economics, Yale University

8. **Professor Shiller** said that the Committee should consider ways of renewing the world economy after the financial crisis. John Maynard Keynes had pointed the way through his use of the term "animal spirits" (*spiritus animalis*) whose fluctuations drove economic successes and failures. People needed to be given good reasons for confidence, including, where necessary, economic stimulus, but not so much as to encourage

speculative "bubble thinking". There must be good faith in business, failing which a financial crisis like the one recently experienced could ensue. However, in order to achieve the proper economic spirit, which was essential for the success of the Millennium Development Goals (MDGs), the necessary financial resources must also be available. To that end, more economic stimulus might still be needed, but managed in such a way as to support the economy without encouraging speculative excess. That realization was reflected in recent governmental efforts to set up new agencies to prevent systemic collapse. The real test would be how they operated.

9. Moreover, healthy financial activities must be expanded in scope, in particular by democratizing finance or by making the technology of finance available to everyone. The lesson to be drawn from the crisis was not that financial institutions were too complex or dangerous but that they must be modernized and less susceptible to misuse. Increased economic stimulus and improved regulatory action required international coordination, in which international organizations such as the United Nations had a fundamental role to play.

10. Since 2007, the number of unemployed persons worldwide had increased by some 30 million, three quarters of them in developed countries; however, in predominantly agricultural countries, unemployment tended to be expressed as underutilization of labour and, in contrast with advanced countries, was not offset by unemployment benefits. In poorer regions of the world, unemployment, inadequately reflected in official statistics, was a luxury that could not be afforded. Furthermore, although there had been a financial recovery worldwide, global gross domestic product (GDP) was far behind the growth trend recorded by the International Monetary Fund.

11. The current crisis had been caused by speculative bubbles, which were a kind of social epidemic, amplified by the public attention given to them. Bubble periods could lead to excessive business confidence, leaving many people open to victimization and spawning corruption. The remedy was to find ways to manage confidence, which meant trying to manage human psychology. An important factor would be the perception that leaders had created a fair and just system.

12. In countries where unemployment rates were still high, fiscal stimulus was needed in order to build confidence; keeping jobs was an important part of that process. Concerns about mounting national debt as a result of stimulus policies were valid but must be kept in perspective. For most countries with high levels of employment, such concerns could still take a back seat to the advantages of stimulus spending. Any stimulus-induced increase in sovereign debt could be handled with improved financial arrangements.

13. The cheapest, most cost-effective form of stimulus was bailouts of systemically important financial institutions or of deserving individuals; a case in point was the United States Troubled Asset Relief Program (TARP), which was expected, on completion, to have cost nothing to taxpayers while preventing a huge financial meltdown. Governments should set authority in place for more such bailouts, so that they could act quickly in the event of renewed systemic risk.

14. In conclusion, he outlined the position taken by the Squam Lake Group, a group of United States university professors of which he was a member. They favoured steps to reduce the vulnerability of financial systems to systemic collapse, particularly regulation designed to encourage financial firms to internalize as much as possible the cost of bailouts. One proposal of the group was that a form of contingent capital for banks should be encouraged by regulators; another was that a part of executive salaries should not be paid for a number of years when firms had received Government bailouts. The group also advocated the further democratization of finance to ensure that people fully benefited from modern financial theory and risk management. That meant encouraging personal saving and investment plans for all and subsidizing financial advice for every person. Currently such advice was subsidized only for high-income groups; however, financial care was as important as medical care, and the recent crisis at least had the merit of highlighting that fact. Noting that most of the stimulus had been temporary and that regulatory reforms were incremental, he stressed that the United Nations could be a force to maintain the impetus for the right kinds of stimulus and reform in order to counter risks to shared prosperity.

15. **Mr. Mero** (United Republic of Tanzania) said that news about the current state of the global economy was not encouraging to business people. According to

all major news outlets, indeed, the economy was "down the drain". Since, however, the market economy was dependent on the transmission of information, particularly in the matter of investment decisions, it would be desirable to restrict the propagation of pessimistic information so as not to discourage effort in times of crisis.

16. **Mr. Ovalles-Santos** (Bolivarian Republic of Venezuela) said that a key concern was the sustainability of debt. While the crisis had been weathered, the real economy had still not recovered. Wall Street had been shored up but no measures had been taken to change market practices. How could one speak of trust in such circumstances?

17. **Mr. Barton** (United States of America), noting that countries had been affected differently by the recent financial problems and had acted at different levels, asked the keynote speaker if he could give an example of a country that struck the right balance in its response to the crisis.

18. **Mr. Islam** (Bangladesh) said that in the wake of the world financial crisis, some were against a free market system and others were against protectionism. He asked what the modus operandi of State intervention should be between free market recklessness, on the one hand, and protectionism, on the other.

19. **Professor Shiller**, responding to the representative of the United Republic of Tanzania, said that he was worried that television commentators, himself included, encouraged pessimism, but that as a scholar he was entrusted with telling the truth. Government officials generally issued overly optimistic statements about economic conditions and the public corrected for that bias. When, in 1996, Alan Greenspan, the Chairman of the Board of Governors of the Federal Reserve System of the United States, had questioned whether there might be "irrational exuberance" in the economy, stock markets had crashed worldwide because people had always expected optimism from him. Crises must be prevented through concrete action, such as by preserving jobs, not by the pronouncement of overly optimistic statements.

20. In response to the question concerning the sustainability of debt, he said that the average deficit of Organization for Economic Cooperation and Development (OECD) countries in 2009 was 9 per cent, which was a huge increase and a cause for concern. However, it was important not to worry too much about the sustainability of national debt. During the 1937-1938 downturn, the Governments of various countries had not allowed for sufficient stimulus spending, which had prolonged the Great Depression by several years.

21. Responding to the representative of the United States, he said that among countries with advanced economies, Germany had had the greatest success in limiting unemployment. However, that was not necessarily attributable to the policies of that country. Each country had multiple policies and it was difficult to rank them. Moreover, there were many similarities among countries and there were also many examples of countries with unsuccessful policies.

22. Regarding the modus operandi of State intervention, he said that it was necessary to respect financial experts even though some of them had misled the public. Modern finance was highly complex. Financial experts should be relied upon and encouraged to modernize and improve financial systems in good faith. Financial theory and human psychology must also be respected to ensure the democratization of finance that worked for everyone.

23. **Mr. Jaiswal** (India) asked whether emerging countries had learned the lessons of the recent past, and whether there were currently many economic bubbles in China and India, for example in the stock markets and real estate markets. He also asked how expectations of "animal spirits" should be moderated. The global economic crisis had brought to the fore the notion of State capitalism, best represented by the energy giants of countries such as China, India, Iran, Russia and Venezuela, which had changed perceptions regarding the political economy. He also asked how Professor Shiller perceived strong State-sponsored market forces within the context of understanding economic forces and the politics linked to them.

24. **Mr. Eggleston** (Australia) noted that Professor Shiller had said that regulation should be more modern and less susceptible to misuse. However, there were examples of countries with strongly regulated banking systems that had done better economically during the global financial crisis than countries with loose regulations. In that context, he asked Professor Shiller to expand upon his comment about the misuse of regulations.

25. **Mr. Hassani Nejad Pirkouhi** (Islamic Republic of Iran) said that one of the reported causes of the economic crisis was over-financialization of the economy. He asked whether democratization of finance might be one such example. He did not see the link between the financial sector and the real economy. Many countries had invested too little in real productive industries and he wondered how useful it would be to democratize finance.

26. **Professor Shiller**, responding to the representative of India, said that emerging countries had learned a great deal in the preceding 20 years, that they had become financially sophisticated and that he felt optimistic. China's market had developed, which allowed it to trade risks. Still, China and India had both experienced financial bubbles and bursts. Despite those risks, their economies would be worse off if very strict regulations were to be reintroduced. The existence of bubbles in those countries was rational in part because of their fast economic growth, which resulted in more uncertainty and volatility. Some industrial planning by Governments had worked during the emergence process in a good number of countries. While a democratic society was desired, one must also consider how much a society directed capital.

27. In response to the representative of Australia, he said that Spain was seen as having better banking regulations and that consequently its banks were less vulnerable. However, since the beginning of the crisis, Spain had also experienced the greatest increase in unemployment among the advanced countries of the world. Australia itself had experienced some of the largest financial bubbles. Countries should respect what had been learned about financial theory. The financial system was like the automobile: it had become complex. Rather than simplifying automobiles, specialists were needed to fix them. Nevertheless, cars had been designed to operate easily when working properly. Simplification had not been the trend in human history; experts were needed to provide guidance on the financial system.

28. With regard to the issue of over-financialization, he said that the real sector was clearly important. The economic system must be perceived as fair by the people performing the real jobs. However, new and interesting financial services were important. Examples of those services included microfinancing and weather insurance for low-income farmers. The World Bank and other agencies had been pioneering such services, which were examples of the democratization of finance initiatives. Those initiatives focused most of all on helping the people whose real productive jobs made the economy work.

General debate

29. **The Chairperson** invited the Committee to begin its general debate.

30. **Mr. Alyemany** (Yemen), speaking on behalf of the Group of 77 and China, said that the ongoing world economic crisis had reversed many developmental gains in developing countries and threatened to undermine the achievement of the internationally agreed development goals, including the MDGs. Development partners were urged to meet their commitments in terms of external debt, development assistance, financing, trade, technology transfer and capacity-building.

31. At the 2010 High-level Plenary Meeting on the Millennium Development Goals, it had been clearly demonstrated that there was an urgent need to scale up the global partnership for development in order to mobilize additional resources to address the continuing challenges faced by developing countries. The MDG Summit outcome document (A/65/L.1) was a global plan of action that required immediate implementation. An annual review of that plan was needed within the United Nations system in order to achieve the MDGs by 2015.

32. Official development assistance (ODA) was both a complement to other sources of financing and a catalyst for development, facilitating the achievement of national development objectives, including the MDGs. The Group called upon developed countries to meet and scale up their existing bilateral and multilateral ODA commitments and targets, particularly the commitment to allocate 0.7 per cent of gross national product (GNP) as ODA to developing countries and 0.15 to 0.20 per cent to the least developed countries.

33. The Group commended the ad hoc open-ended working group of the General Assembly to follow up on the issues contained in the Outcome of the Conference on the World Financial and Economic Crisis and Its Impact on Development, which had clearly proven its worth as an open, transparent and inclusive multilateral forum.

34. Climate change was one of the most serious challenges facing the world. It was therefore incumbent upon all countries, particularly the developed countries, in accordance with their common but differentiated responsibilities and respective capabilities, to address that threat by adhering to the principles enshrined in the United Nations Framework Convention on Climate Change and the Kyoto Protocol.

35. The Group looked forward to a successful outcome of the tenth meeting of the Conference of the Parties to the Convention on Biological Diversity, to be held shortly in Nagoya, Japan, and emphasized the need to mobilize the political will to adopt the protocol on access and benefit-sharing and to ensure that the post-2010 targets would be met through the provision of sufficient financial resources and the transfer of technology to developing countries. It also looked forward to the convening of the United Nations Conference on Sustainable Development in 2012 to review the progress achieved since the Earth Summit held in 1992.

36. The Fourth United Nations Conference on the Least Developed Countries, to be held in Istanbul in 2011, should make a thorough review of the implementation of the Brussels Programme of Action and define a new generation of ambitious, comprehensive, targeted and results-oriented support measures to establish a new partnership between the least developed countries and their development partners for the decade 2011-2020.

37. The Group reiterated its call to the developed countries to demonstrate the flexibility and political will needed to conclude the Doha Round in 2010 and achieve an early, successful and development-oriented outcome that made the needs of developing countries its highest priority.

38. The Group further called upon developed countries to fulfil their commitment expressed in the Hong Kong Ministerial Declaration to address the development interests and concerns of developing countries, especially least developed countries, in the multilateral trading system.

39. The Group was encouraged by the progress achieved in the financing for development follow-up process. Nevertheless, much more needed to be done to ensure the full implementation of the agreed commitments, given that the Monterrey Conference on Financing for Development was the only major United Nations summit in the economic and social field that had not resulted in a permanent intergovernmental body to oversee and promote the implementation of its outcome.

40. The Group would continue to take effective measures to remove obstacles impeding those living under foreign occupation from achieving sustainable development. People under foreign occupation must be protected in accordance with the provisions of international humanitarian law.

41. The Group reaffirmed the importance of strengthening the current institutional mechanisms of the United Nations for South-South cooperation and called for the implementation of the Nairobi outcome document of the High-level United Nations Conference on South-South Cooperation, held in December 2009 in Kenya.

42. The Group was committed to working closely with the Chairperson and its partners during the sixty-fifth session of the General Assembly to devise action-oriented resolutions and decisions in a timely and effective manner.

43. **Mr. Bassompierre** (Belgium), speaking on behalf of the European Union; the candidate countries Croatia and the former Yugoslav Republic of Macedonia; the stabilization and association process countries Albania, Bosnia and Herzegovina, Montenegro and Serbia; and, in addition, Armenia, Azerbaijan, Georgia, the Republic of Moldova and Ukraine, said that the 2010 High-level Plenary Meeting on the Millennium Development Goals was a crucial event for the international community and had been a major success. It had provided Member States with an opportunity to show their determination to achieve the MDGs by 2015 and to display their unity on important issues.

44. The outcome document adopted at that meeting had provided fresh political impetus as well as guidance on how to achieve the MDGs by the target date of 2015. It had also helped to reinvigorate the United Nations, thereby generating welcome momentum ahead of the forthcoming sixteenth session of the Conference of the Parties to the United Nations Framework Convention on Climate Change and the Fourth United Nations Conference on the Least Developed Countries.

45. It was necessary to build on the success of the recent MDG Summit and further amplify it. To that

end, all stakeholders must follow through on their commitments.

46. The Committee should also build on the discussions and outcomes of other recent events, such as the fourth High-level Dialogue on Financing for Development, the special high-level meeting of the Economic and Social Council with the Bretton Woods institutions, the World Trade Organization and the United Nations Conference on Trade and Development, held in March 2010, and the Council's substantive session held in July 2010. The Committee's deliberation should also take into consideration the debates and outcomes reached in other relevant forums, such as G-8 and G-20 meetings and the annual meetings of the Bretton Woods institutions.

47. While considerable work remained to be done, sustainable development in all its components could be achieved despite such challenges as tackling the rise in food prices, addressing migratory flows, managing the financial crisis, supporting economic recovery and adapting institutions of global economic governance.

48. The European Union remained deeply committed to achieving the MDGs and would play its full role in that collective endeavour. The agenda items on financing for development and on macroeconomic questions would provide an opportunity for the European Union to enhance its commitment to the Monterrey Consensus framework. The Monterrey Consensus and the Doha Declaration on Financing for Development laid the foundation for the global partnership to achieve the MDGs.

49. Each country had the primary responsibility for its own development. Progress towards the MDGs largely depended on the quality and coherence of development partners' policies. Developing countries therefore needed to mobilize domestic resources; create a framework for sustainable, inclusive and green growth as a basis for sustainable development; strengthen their fiscal administration; and promote human rights, gender equality, democracy, good governance and decent work.

50. In that regard, the principles of aid effectiveness as defined in the Paris Declaration on Aid Effectiveness and the Accra Agenda for Action remained a key mechanism to support and promote national ownership. Those principles should also apply to cooperation among developing countries and to the United Nations system itself, including the framework of the "Delivering as One" initiative. An important area of the European Union's work in that respect was enhancing the operational activities of the United Nations for development so that aid could be delivered more effectively in support of national plans and priorities at the country level. It was necessary to build on the progress made the preceding year in the system-wide coherence process.

51. The European Union recognized the importance of aid as a major catalyst of development. It had recently reaffirmed its commitments to reach a collective ODA target of 0.7 per cent of gross national income (GNI) by 2015, to channel at least 50 per cent of its collective aid increases to Africa and to meet collectively the target of 0.15 to 0.20 per cent of GNP as ODA to the least developed countries. Other donors, including emerging ones, should increase their own targets.

52. Additional funds for development could be raised by establishing innovative development financing mechanisms and further involving the private sector. The European Union would pay special attention to financing for development and its new instruments.

53. The European Union had again demonstrated its commitment to the MDGs by recently launching a 1 billion euro MDG initiative, as part of the tenth European Development Fund, aimed at supporting the efforts of the most committed and neediest countries of Africa, the Caribbean and the Pacific.

54. In its policies and actions, the European Union would prioritize the MDGs that were most off-track, especially in sub-Saharan Africa and the least developed counties. Countries in situations of conflict and fragility also required special attention. The European Union would work closely with all relevant actors to make a difference. Shared accountability of both developed and developing countries was essential in that respect.

55. There should be no gap between scientific knowledge and political decision-making. The European Union strongly supported the recommendations contained in the Busan outcome document, which was the balanced result of a multi-year intergovernmental and multi-stakeholder process, reflecting the interests of developed and developing countries alike. It was time for the General Assembly to adopt a resolution to equip the

international community with that new instrument to fight biodiversity loss.

56. The shift to a low-carbon economy was the defining challenge of the modern era. The two themes of the United Nations Conference on Sustainable Development in 2012 were therefore of the utmost importance.

57. With regard to the sixteenth session of the Conference of the Parties to the United Nations Framework Convention on Climate Change, to be held shortly in Cancún, he reiterated that the European Union would honour its commitments through its fast-start finance pledge and by meeting mitigation targets. The European Union reaffirmed its commitments towards the achievement of a comprehensive, legally binding agreement for the climate regime. It could support the adoption of a set of concrete measures at the Cancún session in those areas where enough progress was registered, covering the building blocks of the Bali road map, together with a work programme towards a legally binding agreement. That should allow parts of the outcomes of the Copenhagen Climate Change Conference to be incorporated into the decisions of the Conference of the Parties to the United Nations Framework Convention on Climate Change. Any outcome in Cancún should also adequately address the adaptation needs of the most vulnerable, including the small island developing States and Africa.

58. **Mr. Arriola Ramírez** (Paraguay), speaking on behalf of the Group of Landlocked Developing Countries, said that the countries of his Group, geographically disadvantaged in their pursuit of development by a lack of direct access to maritime trade, were further hampered by the great distance separating them from world markets, cumbersome transit procedures, inadequate transport infrastructure and dependence on the political stability, infrastructure and institutions of coastal transit countries. Those problems affected growth and had important social and environmental implications, including for the achievement of the MDGs. The 2010 High-level Meeting had laid out the course to be followed, and an annual review of its outcome document would contribute to reaching the MDGs by 2015.

59. For groups of countries with vulnerable economies, such as landlocked developing countries, ODA remained a key element. While total assistance to landlocked developing countries had increased since the adoption of the Almaty Programme of Action, those countries still hoped for more and better assistance in order to achieve commitments and narrow the gap with developed countries. The Group was lagging behind in its ability to attract foreign investment, accounting for only 1.4 per cent of world investment — another consequence of the geographical situation of landlocked developing countries.

60. Climate change was a grave threat for such countries, exacerbating drought in already arid zones of Africa, while the melting of snow and glaciers in high mountains had a direct impact on their efforts to eradicate poverty and hunger and to preserve the ecological balance. Extreme weather patterns, floods, soil degradation and desertification had made life very difficult for their populations. At the same time, temperature fluctuations were threatening certain crops and increasing the vulnerability of economies that depended directly on one or two agricultural products. Climate change also affected fresh water fishing in landlocked developing countries through changes in water temperature and nutrient contents and low water levels during the dry season, significantly reducing catch. To effectively address climate change, landlocked developing countries must carry out both mitigation and adaptation activities. The international community's full support through reliable financial resources, development, technology transfer and capacity-building were crucial in order to narrow the gap between policy and implementation.

61. The international trade situation was a key issue for landlocked developing countries, which reiterated their appeal to developed countries to show flexibility and political will with a view to concluding the Doha Round. Reducing or eliminating agricultural subsidies in the main developed countries and improving access to the non-agricultural market would benefit landlocked developing countries. Early achievement of an agreement in the World Trade Organization, especially in the Doha Round negotiations, would be especially valuable to those countries.

62. The members of the Group, continuing to face major constraints on their development efforts due to structural disadvantages and obstacles, appealed to the international community to adopt specific measures to address their special development needs and challenges so that they could reach internationally agreed development goals, including the MDGs.

63. **Ms. Moses** (Nauru), speaking on behalf of the Pacific small island developing States, namely Fiji, the Marshall Islands, Micronesia (the Federated States of), Palau, Papua New Guinea, Samoa, the Solomon Islands, Tonga, Tuvalu, Vanuatu and her own country, Nauru, said that the Pacific subregion had much to be proud of in terms of mainstreaming sustainable development into national development strategies, setting ambitious renewable energy targets and protecting biodiversity. However, most Pacific small island developing States were not on track to meet the MDGs, including in the area of poverty reduction. While adequate funding from the international community was essential to reverse that trend, the access of the Pacific small island developing States to international finance was being impeded by eligibility criteria and other requirements which did not always accommodate small-scale projects. Access to international financial institutions should therefore be streamlined, and collaboration with development partners should be closer in order to facilitate direct funding of projects in the light of national priorities, an approach currently used successfully in cooperation with Italy and Austria. Moreover, the Pacific small island developing States needed the support of the United Nations system. In that connection, she recalled that the outcome document of the High-level Review Meeting on the implementation of the Mauritius Strategy for the Further Implementation of the Programme of Action for the Sustainable Development of Small Island Developing States (A/65/L.2) had requested the Secretary-General to examine ways to enhance the coordination of such support and to put forward relevant recommendations to Member States.

64. The outcome document had also requested the Secretary-General to make recommendations on a results-oriented approach and on more effectively addressing the particular vulnerabilities of small island developing States. One of the major additional measures was to establish such States as a formal category entitled to structural support in the areas of financing and trade. The international community should therefore work with those States on transforming the Mauritius Strategy for Implementation into a sustainable workplan with measurable objectives to be attained within specific time limits.

65. Despite the efforts under way to ensure improved conservation of marine ecosystems, the Pacific small island developing States still faced the challenge of preserving fish stocks. They were therefore requesting the cooperation of developed countries and fishing nations in connection with the implementation of Part VII of the 1995 Fish Stocks Agreement and called on those countries overexploiting fish stocks in the Pacific to desist from that unsustainable practice. Owners, investors and harvesters should adhere to international law and chart a path that would sustain full stocks for the benefit of all. The parties to the Nauru Agreement Concerning Cooperation in the Management of Fisheries of Common Interest, for instance, had strengthened their initiative to manage tuna stocks in a sustainable manner. Furthermore, in a bid to ensure a more equitable sharing of the financial benefits from the use of their marine resources, the Pacific small island developing States were calling for direct investment in their fishing industries.

66. Lastly, renewed international commitment to implementing the United Nations Framework Convention on Climate Change was urgently needed. The Pacific small island developing States were alarmed by the view that expectations for the Cancún negotiations should be lowered to what was politically possible, despite recent scientific predictions of a faster acceleration of climate change with devastating consequences for the entire subregion, especially low-lying islands. Vested national interests must not be allowed to take precedence over the global imperative of an equitable solution to the climate crisis. Over and above existing ODA commitments, financing for adaptation should be urgently provided to the most vulnerable countries. The Pacific small island developing States were ready to participate in the Cancún negotiations constructively and with renewed hope and ambition.

67. **Mr. Bhattarai** (Nepal), speaking on behalf of the Group of Least Developed Countries, said that the Committee should take a lead role in fostering a supportive and enabling international environment for all countries to achieve the internationally agreed development goals. The Committee had a mandate to address the needs of countries in special situations, such as least developed countries, where dehumanizing poverty, hunger, illiteracy and overall backwardness were perpetuated by low economic activity, stagnant growth, rudimentary industrialization, heavy reliance on subsistence agriculture, few employment opportunities and low human development.

68. International support for the special development needs of least developed countries had been of limited success, with programmes of action failing to yield the desired economic and social transformation. The least developed countries were considerably lagging behind in meeting many of the MDGs. The mutually exacerbating economic, financial, food and energy crises had conspired with the disproportionate impacts of climate change to worsen the vulnerabilities of least developed countries, reversing arduously attained development gains, pushing millions to the brink of extreme poverty and jeopardizing those countries' ecological balance even though they had contributed the least to climate change.

69. It was urgent to advance climate negotiations through an ambitious and comprehensive outcome in Cancún later in the year, in keeping with the principles of common but differentiated responsibility and respective capability. The international community should agree on a new, predictable, transparent and substantially enhanced resource mobilization and a fast-track provision to ensure resources for mitigation, adaptation, transfer of technology, reduced emissions from deforestation and forest degradation (REDD-plus) and capacity-building in least developed countries. The food crisis, which had hit the least developed countries hardest as net food importers, should be addressed in the short term with increased food supply and in the long term through sustainable agricultural development. The transfer of affordable, reliable and sustainable technology for renewable energy sources in least developed countries would go far towards meeting their growing energy needs.

70. The benefits of globalization should be widely and equitably distributed, helping the least developed countries to be meaningfully integrated into global economy, particularly through the early conclusion of a comprehensive, balanced, equitable and development-oriented outcome of the Doha Round. Proper coordination between the United Nations and the international financial institutions to enhance development effectiveness in developing countries, particularly the least developed countries, was also vital.

71. The time had come to leave behind "business as usual" and to strengthen and scale up a global partnership for development. To achieve a different world in 2015, fulfilment of all ODA commitments in a predictable, transparent and accountable manner, enhanced provision of duty-free and quota-free market access for all products from least developed countries, enhanced debt relief, increased flow of foreign direct investment and transfer of technology and investment in building long-term productive capacity, including in infrastructure, would be critically important.

72. The Fourth United Nations Conference on the Least Developed Countries, to be held in Istanbul in 2011, must aim at an ambitious, comprehensive, forward-looking and result-oriented outcome to accelerate the pace of development. At the same time, the tenth meeting of the Conference of the Parties to the Convention on Biological Diversity, to be held in Japan in October 2010, and the United Nations Conference on Sustainable Development, to be held in Brazil in 2012, must also address the concerns of least developed countries as an issue central to achieving the overarching goals of sustainable development.

73. **Mr. Errázuriz** (Chile), speaking on behalf of the Rio Group, recalled that the Group had recently conducted various high-level consultations with leading international players with a view to creating the Community of Latin American and Caribbean States and tackling other items on the multilateral agenda.

74. The outcome document of the 2010 High-level Plenary Meeting would have direct implications for several development-related items on the Committee's agenda. Agreements reached on initiatives against hunger and poverty, gender equality, health, sustainable development and the global partnership for development would provide important, albeit insufficient, input for the various draft resolutions to be adopted at the sixty-fifth session.

75. The Rio Group was deeply concerned by the continuing adverse impact of the global economic and financial crisis on development, including developing countries' capacities to mobilize development resources. The systemic problems of the global economy must be resolved, including by completing reform of the global financial system. There were still major unfulfilled objectives, including providing predictable development financing to developing countries, supplying funds to meet the urgent needs of developing countries arising from the effects of the crisis, and exploring the possibility of international debt arbitration and debt workout mechanisms. That reality should be reflected in resolutions on the global

financial and economic crisis, which must stress the need to reform the system and end the excessive conditions imposed by international economic and financial bodies, as well as the importance of supporting counter-cyclical policies and national efforts to mitigate the effects of the crisis. The ad hoc open-ended working group of the General Assembly to follow up on the Outcome of the United Nations Conference on the World Financial and Economic Crisis and its Impact on Development should therefore continue its work.

76. The Rio Group endorsed a comprehensive financing for development agenda: effective efforts to mobilize national and international resources required a conducive international environment and consistent policies regarding debt and trade. An effective response to the crisis also called for the timely implementation of existing aid commitments: all developed countries should fulfil their ODA commitments, allocating 0.7 per cent of their GDP to cooperation and international assistance by 2015.

77. Similarly, the Group considered it important to lend continuing support to innovative mechanisms of development financing, such as a voluntary fund that would complement but not replace the ODA obligations assumed by the donor community. In that regard recent allocations of special drawing rights had played an important role in increasing global liquidity and supporting development. The Group supported possible new general and regular allocations of such rights, with a view to improving the quota-based distribution system and giving greater preference to less fortunate countries.

78. The Group was totally committed to the full implementation of the General Assembly decision concerning the strengthening of the financing for development follow-up mechanism, which should lead to a substantive resolution reflecting the importance of the agenda set in Monterrey and reinforced in Doha. The Secretary-General should present concrete proposals at the current session to further strengthen the financing for development follow-up process.

79. Owing to its unquestionable legitimacy and representativity, the United Nations should play the central role in issues relating to global economic and financial governance. While some countries had made notable efforts to find solutions to the problems stemming from the existing international economic and financial structures, decisions affecting the entire international community should be taken primarily by the United Nations, where all the members of the international community were duly represented and entitled to be heard.

80. Concerning international migration, the Rio Group fully expected that the concerns of countries of origin, transit countries and host countries would be reflected in a comprehensive and balanced manner. An issue of global dimensions, migration required a coordinated approach, focusing on the rights of migrants and their family group. The Group took note of the third meeting of the Global Forum on Migration and Development, held in Greece, and appealed for broad and substantive participation in the forthcoming fourth meeting of the Forum, to be held in Mexico. The Forum had been preceded by a broad and inclusive discussion which would enrich the debate in the United Nations, especially in preparing the informal thematic debate on international migration and development at the current session and in preparing for the second high-level dialogue of the General Assembly on that issue during its the sixty-eighth session.

81. It had become clear that middle-income countries had specific needs and urgently requiring international support to consolidate development gains, as recognized in the outcome documents of conferences supported by the United Nations. It was difficult to use national averages such as per capita income to reflect the varied realities of those countries. The response to those development challenges called for new cooperation modalities and holistic approaches. In that connection the General Assembly should endorse the outcomes of the Madrid, San Salvador and Windhoek conferences; the needs of other categories of countries should also be taken into account. The Group's solidarity with Haiti, the only least developed country in the region, was active and strong.

82. South-South cooperation was a cornerstone of solidarity among countries of the South, and the United Nations Conference on South-South Cooperation had produced important guidelines in that regard. While such cooperation, without conditionalities, was important to improving the sustainable development of developing countries, it was only a complement to North-South cooperation and never a substitute for it.

83. In the sustainable development cluster, the Rio Group was ready to contribute constructive ideas and

commitments with a view to helping the General Assembly mobilize the energies of Member States, the United Nations system and the international community. The Group particularly stressed that special attention must be given to address the negative effects of the financial, economic, food and energy crises.

84. In the context of the forthcoming climate change negotiations in Cancún, the Rio Group reiterated its support for the principles of common but differentiated responsibilities and respective capabilities, with a view to achieving ambitious reduction commitments by developed countries. The Group called upon the international community to provide new, additional and predictable financial resources, capacity-building and access to and transfer of technology in order to deal with the consequences of climate change.

85. With regard to biodiversity, the Group reaffirmed the principle of the sovereign rights of States over their biological resources and supported reaching a balanced and effective outcome in Nagoya, Japan, through the successful conclusion of negotiations on the access and benefit-sharing protocol, on the post-2010 Strategic Plan for the Convention on Biological Diversity and on the resource mobilization strategy. The Group reiterated its support for a protocol on access to genetic resources and the fair and equitable sharing of benefits arising from their utilization, thus fulfilling the deadlines agreed upon in 2006 in Curitiba, Brazil, at the eighth meeting of the Conference of the Parties to the Convention on Biological Diversity. The successful conclusion of those talks would fulfil a long-standing aspiration to operationalize the third objective of the Convention on Biological Diversity.

86. Nations, communities and individuals must be mobilized to take adequate actions, based on the accumulated experience of recent decades, to tackle the multiple threats facing the world; otherwise the consequences for millions of people could be devastating in economic, financial, and especially human terms. Such efforts should focus on capacity-building, scientific research, financial and technical cooperation and transfer of technology. Sensitivity would also be needed towards indigenous and local communities as well as especially vulnerable groups.

87. The Rio Group welcomed the recent adoption of the outcome document of the High-level Review Meeting on the implementation of the Mauritius Strategy for the Further Implementation of the Programme of Action for the Sustainable Development of Small Island Developing States (A/65/L.2). That document demonstrated the great vulnerability of those countries and the serious threats they faced as a consequence of climate change and the global financial, energy and food crises. Accordingly, in the review process, the international community should increase its commitments and provide those countries with new and additional resources, capacity-building and technology transfer.

88. The Rio Group had decided to contribute actively to capacity-building with a view to fostering technological innovation and helping to expand and strengthen regional and international cooperation in two areas: regional scientific development and technology transfer geared towards productive sectors.

89. **Mr. Mac-Donald** (Suriname), speaking on behalf of the Caribbean Community (CARICOM), which aligned itself with the statement made by Yemen on behalf of the Group of 77 and China, recalled that at the 2010 MDG summit and the five-year review of the Mauritius strategy for the further Implementation of the Programme of Action for the Sustainable Development of Small Island Developing States, leaders had pledged to accelerate action to achieve what had already been agreed upon by the international community. The focus at the current session should therefore be to build momentum and facilitate implementation at all levels.

90. The incipient recovery of the world economy was fragile and uneven. CARICOM countries continued to grapple with the worst effects of the global financial and economic crisis. Most remained in recession and were unlikely to resume growth until 2011. As small island developing States with open economies near the epicentre of the crisis, CARICOM countries had sustained severe impacts, such as sharp declines in foreign exchange revenues from tourism, a dramatic fall in remittances, sharply rising unemployment, and a precipitous fall in the price of and demand for commodities. CARICOM reiterated its long-standing view that fundamental and drastic reforms guided by democracy, transparency, fairness, inclusiveness and accountability were needed in the global financial and economic system to ensure long-term stability and development.

91. The voice and participation of all developing countries, including the smallest, must be enhanced to ensure that all perspectives and concerns were addressed. The efforts of the G-20 to address the crisis through regulatory reform and additional resources were welcome but limited because, even in a time of crisis, they failed to recognize the needs of small, vulnerable, highly indebted countries that, by virtue of per capita GDP, were classified as middle-income countries. That approach still masked their vulnerability to external shocks, persistent poverty, a high debt-to-GDP ratio averaging over 100 per cent, and dependence on commodity exports. CARICOM countries would continue to advocate a review of the criteria for determining their access to concessionary financing. The G-20 should engage with a wider cross section of developing countries, including the CARICOM subregion, through appropriate representation at G-20 summits.

92. The United Nations, by virtue of its universal membership and legitimacy, must be accorded a broader, deeper role in international economic governance. CARICOM urged an expeditious follow-up to and implementation of the Outcome of the Conference on the World Financial and Economic Crisis and Its Impact on Development, and agreement by the current session of the General Assembly to strengthen the intergovernmental processes of financing for development. The following remained priorities in the follow-up to the Conference: providing concessionary financing and grant-based funding to small, highly indebted vulnerable countries; reviewing criteria to measure the economic sustainability of middle-income countries; providing new and additional resources to assist developing countries, particularly the most vulnerable, to rebound from the crisis; creating a level playing field with respect to the treatment of offshore jurisdictions while also strengthening the Committee of Experts on International Cooperation in Tax Matters; and comprehensively reforming the global financial and economic system in keeping with current realities.

93. Climate change remained a major threat confronting CARICOM, which reiterated its call for an ambitious, comprehensive and legally binding outcome with significant cuts in global emissions and new, additional and predictable finance to support adaptation and mitigation action in developing countries, particularly small island developing States. While such an agreement would not be achieved at the sixteenth session of the Conference of the Parties to the United Nations Framework Convention on Climate Change, the Cancún Conference could be an important milestone. It should adopt a package of decisions representing progress, including an unambiguous mandate for the early conclusion of a legally binding agreement providing legal certainty in the fight against climate change. A politically binding agreement would not deliver the emission reductions or finance needed to ensure the survival of CARICOM and other small island developing States. The Montreal Protocol provided a useful precedent.

94. The Barbados Programme of Action and the Mauritius Strategy for Implementation were the essential blueprints for the sustainable development of small island developing States. The special case of those States had first been recognized over 18 years previously at Rio and it was therefore shocking that during the five-year review process their unique vulnerabilities had become a source of debate among some Member States. CARICOM considered that unacceptable and urged all Member States to respect what had been agreed and to focus on implementing all of the commitments made to support the sustainable development of small island developing States.

95. The protection and preservation of the Caribbean Sea remained a major priority of the region, given the importance of the marine environment as a key resource of social, economic and political significance. During the sixty-fifth session, the Committee would again consider a resolution entitled "Towards the sustainable development of the Caribbean Sea for present and future generations". That resolution would continue to seek international support to have the Caribbean Sea recognized as a special area within the context of sustainable development, an initiative endorsed by the Group of 77 and China which also deserved support from other Member States.

96. **Mr. Kleib** (Indonesia), speaking on behalf of the Association of Southeast Asian Nations (ASEAN), which aligned itself with the statement made by Yemen on behalf of the Group of 77 and China, said that regional self-help initiatives were crucial to strengthening the global financial and economic architecture. Efforts undertaken within the framework of ASEAN plus China, Japan and the Republic of Korea (ASEAN+3), the Chiang Mai Initiative and the Chiang Mai Initiative Multilateralization were

conducive to an early global recovery. However, the Committee must continue to focus on ways that could contribute to the recovery process. For the United Nations to play a central role in global governance, all Member States should commit to multilateralism and its underlying values.

97. Despite a difficult international environment, the persistent challenges posed by poverty must continue to be addressed. Encouragingly, the 2010 MDG summit outcome document provided a solid foundation for speeding up progress on the MDGs. It was encouraging that all of the key issues included in the preparatory discussions had been reflected in the outcome document.

98. Subregional, regional and global cooperation could reduce the development gap between countries. Subsequently, improved regional connectivity through partnerships in the areas of trade, investment, infrastructure and information and communication technologies could further bridge that gap, including within countries. Multi-stakeholder action involving Governments, the private sector, the academic community, civil society and ODA was fundamental. The commitments made by a wide spectrum of partners during the MDG summit had revealed a global resolve to pursue the eight Goals. The Committee should continue to focus on efforts to achieve the MDGs by 2015.

99. While sustainable development was an accepted approach, asymmetries among its three pillars — economic growth, social development and environmental protection — were pronounced and had led to multifaceted crises. Progress with respect to environmental sustainability had been particularly fragmented and required a renewed commitment to sustainable development. The 2012 United Nations Conference on Sustainable Development provided a timely opportunity to fulfil that commitment within the relevant multilateral frameworks, namely the Rio Declaration, the MDGs and the Johannesburg Plan of Implementation. In that context, new areas should be explored with a view to achieving sustainable growth without reducing the economic ability to generate jobs and reduce poverty. Green growth was one such potential avenue and a particularly fitting theme for the forthcoming United Nations Conference on Sustainable Development. ASEAN also wished to see an action-oriented outcome arise from the sixteenth session of the Conference of the Parties to the United Nations Framework Convention on Climate Change and the adoption of the protocol on access and benefit-sharing of genetic resources at the tenth meeting of the Conference of the Parties to the Convention on Biological Diversity.

100. **Ms. Dunlop** (Brazil) said that while much effort had been made to address the multiple challenges facing the world, progress had been far too slow. The consequences of the global economic and financial crisis would persist for years, particularly among the poorest and most vulnerable. The high-level participation in the 2010 MDG summit had revealed a renewed international resolve to attain the MDGs by 2015; the adoption of the outcome document by consensus was particularly encouraging. Nevertheless, the root causes of the food and energy crises had not yet been fully addressed and the challenges of climate change and biodiversity loss were still largely unmet.

101. Fully committed to an equitable, sustainable and development-oriented international economic order, Brazil considered the stable and predictable mobilization of significant additional funds, particularly for the poorest countries, as a key to development. Developed countries should therefore fully deliver on their development commitments, particularly the pledge to allocate 0.7 per cent of GDP as ODA. If possible, they should also scale up their contributions. While South-South and triangular cooperation could complement such assistance, it must not be a substitute for ODA. Innovative sources of financing could play a significant role by supplementing traditional ones. Brazil supported mainstreaming innovative financing mechanisms into the work of the United Nations.

102. International cooperation for development should be accompanied by substantive reform of the international economic and financial system, particularly the governance regime. Within the United Nations, the Bretton Woods institutions, the World Trade Organization and G-20, Brazil had consistently stressed the need for structural reform. In that context, the regulation of international financial markets and tax havens should be further strengthened. Furthermore, developing countries were entitled to a higher quota share, at least equal to that of developed countries, in the International Monetary Fund and the World Bank. They should also enjoy increased representation in the Bretton Woods institutions.

103. Sufficient political commitment could ensure an ambitious and balanced development-oriented outcome of the Doha Round, thereby stimulating world growth and development for the benefit of poor countries. It was unacceptable that 925 million persons still suffered from chronic hunger. While humanitarian assistance remained essential, priority should be given to addressing the distortions generating underinvestment in agriculture, underproduction of staple foods and uneven distribution. The discussion of food security and agriculture as part of the regular work of the Committee should seek to promote a comprehensive and durable solution through a holistic approach, including additional investment in food production and increased sustainability and accessibility, with special attention to the food and agricultural needs of Africa. Moreover, enhancing food security required strengthening the Food and Agriculture Organization of the United Nations, particularly the Committee on Food Security, and the World Food Programme.

104. Environmental sustainability was crucial to development. Positive outcomes from Cancún and Nagoya were therefore important. As the host of the United Nations Conference on Sustainable Development in 2012, Brazil would work with all Member States to reinvigorate international cooperation in that regard. Despite progress in a number of areas, environmental degradation affected the livelihood of millions worldwide, particularly in developing countries. The implementation of the agreements concluded at the United Nations Conference on Environment and Development, held in Rio in 1992, and the World Summit on Sustainable Development, held in Johannesburg in 2002, was still relevant to ensuring economic growth with environmental protection and social progress for all.

105. The operational activities for development of the United Nations system should continue to prioritize initiatives aimed at hunger and poverty eradication in accordance with national development priorities and plans, avoiding the allocation of scarce resources to too many projects. The MDG summit outcome document offered an effective conceptual framework to guide the work of the specialized agencies, funds and programmes in mobilizing resources and supporting national efforts. However, it was necessary to promote a more fruitful dialogue with those bodies and to ensure enhanced accountability, including at the country level.

The meeting rose at 6.10 p.m.